



United States
Department of
Agriculture

Farmers
Home
Administration

Washington
D.C.
20250

FmHA AN No. 1286 (1924)

November 1, 1985

SUBJECT: Servicing Delinquent Farmer Program Loans
For Fiscal Year 86

TO: State Directors and Farmer Program Chiefs

Purpose/Intended Outcome: The purpose of this AN is to set forth the policy for implementation of the "Revised Servicing Regulations" for servicing delinquent loans of Farmer Program (FP) borrowers and to advise you of the expiration of what has come to be called the "continuation policy." (FmHA AN 1113 (1960), "Servicing Delinquent Farmer Program Loans in FY 1985," dated November 30, 1984). The intended outcome is to provide a systematic and prioritized manner of servicing those FmHA farmer program loan accounts which are delinquent and/or in default.

Comparison with previous AN: This AN replaces AN 1113 (1960) issued November 30, 1984.

Implementation Responsibilities: When all initial servicing actions required by the revised servicing regulations have been considered and it has been determined that available servicing options cannot be granted and any administrative appeal proceedings have been completed, delinquent and/or other accounts in default will be accelerated. Identified below are the procedures to be followed in submitting these cases to the Office of the General Counsel for foreclosure.

Accelerated accounts will be submitted to the Office of General Counsel in the following order:

- (1) Borrowers who have breached security agreements and instruments or who have otherwise been uncooperative with FmHA regardless of term of delinquency. The borrowers' actions must be documented in the borrowers case file.
- (2) Borrowers whose accounts were accelerated prior to the Coleman Block decision but withdrawn as per the unnumbered letter of December 20, 1983, "Pretermination Notice for Farmer Program Borrowers."
- (3) All FP borrowers' accounts delinquent 3 or more years as of December 31, 1985. Source: Report Code 540 "Status Report of Farmer Program Accounts" and/or Form FmHA 1905-1, "Management Card Individual."

EXPIRATION DATE: November 30, 1986

FILING INSTRUCTIONS: Preceding
FmHA Instruction 1924-B.



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Complaints of discrimination should be sent to:
Secretary of Agriculture, Washington, D.C. 20250

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As we progress through the above segment of our portfolio, you will be instructed as to the timing of submission of the balance of our accelerated accounts to the Office of General Counsel (OGC).

Additional credit may be extended to borrowers who have been forwarded a Form FmHA 1924-25, "Notice of Intent to Take Adverse Action," providing the default or delinquency has been cured by taking the appropriate servicing action and the borrower qualifies for additional assistance.



VANCE L. CLARK
Administrator

Sent via telemail on Nov. 1, 1985, at 9:14 am by DASD/IMPS.
This message should be promptly distributed to all County Supervisors and District Directors.